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August 11, 2000

VIA OVERNIGHT DELIVERY

Ms. Claudia Sainsot
Hearing Examiner
Illinois Commerce Commission
160 North LaSalle
Suite 800
Chicago, IL 60601

Re: Application for a Certificate of Interexchange and Local Exchange Service Authority
to Operate as a Provider of Resold and Facilities-Based Telecommunications Services
Within the State of Illinois for IPVoice Communications, Inc. **Docket No. 00-0478**

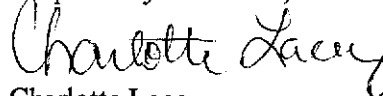
Dear Ms. Sainsot:

Enclosed please find one original and (3) copies of the updated financials for IPVoice
Communications, Inc.

I have also enclosed an extra copy of this letter to be time stamped and returned to me in the
enclosed, pre-addressed, postage prepaid envelope.

If you have any questions or if I may provide you with additional information, please contact
me at the above address or telephone number. Thank you for your attention to this matter.

Respectfully submitted,



Charlotte Lacey
Legal Assistant to Lance J.M. Steinhart
Attorney for IPVoice Communications, Inc.

Enclosures

cc: Bob Koch, Telecommunications Division (via Federal Express delivery)
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701

OFFICIAL FILE

I.C.C. DOCKET NO. 00-0478
Petitioners Exhibit No. 4

Witness _____
Date 8/17/00 Reporter TR

IPVoice.com, Inc.
(A Development Stage Enterprise)
Consolidated Statements of Operations

	Three Months Ended June 30,		Six Months Ended June 30,		Period from February 19, 1997 (Inception) through June 30, 2000
	2000	1999	2000	1999	
	Unaudited	Unaudited	Unaudited	Unaudited	
NET SALES	\$ 10,345	\$ -	\$ 107,973	\$ -	\$ 470,506
COST OF SALES	9,450	-	103,976	-	409,410
Gross Profit	895	-	3,997	-	61,096
OPERATING EXPENSES					
Compensation					
Officers	107,176	81,232	177,343	147,329	661,696
Other	56,286	16,293	86,910	30,813	209,768
Consulting	201,928	-	211,295	-	727,410
Consulting - related party	37,600	370,624	356,194	483,017	678,485
General and administrative	69,585	80,724	319,385	120,209	1,200,843
Research and development	-	-	28,160	-	125,563
Organizational expense - related party	-	(14,000)	-	-	14,000
Depreciation and amortization	25,393	2,430	47,702	4,860	88,230
Total operating expenses	487,972	537,303	1,236,889	796,028	3,705,993
Loss from operations	(487,077)	(537,303)	(1,232,892)	(796,028)	(3,644,897)
OTHER INCOME (EXPENSE)					
Interest expense	(20,021)	(11,547)	(46,088)	(11,547)	(110,475)
Interest income	16,338	6,386	17,510	6,386	37,834
Write-off of receivable	-	-	-	-	(48,532)
Total other income (expense)	(3,685)	(5,161)	(28,578)	(5,161)	(121,173)
Net Loss	\$ (500,762)	\$ (542,464)	\$ (1,261,570)	\$ (801,169)	\$ (3,766,070)
Loss per common share	\$ (0.03)	\$ (0.03)	\$ (0.07)	\$ (0.05)	
Number of weighted average common shares outstanding	17,538,934	15,541,769	17,268,264	14,762,758	

The accompanying notes are an integral part of the financial statements

IPVoice.com, Inc.
(A Development Stage Enterprise)
Consolidated Statements of Stockholders' Equity (Deficiency)

	Number of Shares		Par Value		Additional Paid-in Capital	Stock Subscription Receivable	Beneficial Conversion Feature Discount	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficiency)
	Preferred	Common	Preferred Stock	Common Stock					
BEGINNING BALANCE									
February 19, 1997 (Inception)	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2/97 - founder's serv. (\$0.001/sh.)	-	9,000,000	-	9,000	-	-	-	-	9,000
3/97 - cash (\$0.01/sh.)	-	1,400,000	-	1,400	12,600	(12,274)	-	-	1,726
Net loss	-	-	-	-	-	-	-	(22,981)	(22,981)
BALANCE, 12/31/97	-	10,400,000	-	10,400	12,600	(12,274)	-	(22,981)	(12,255)
3/98 - donated-rel party (\$0.001/sh.)	-	(9,000,000)	-	(9,000)	9,000	-	-	-	-
3/98 - acquisition (\$0.001)	-	9,000,000	-	9,000	(9,000)	-	-	-	-
3/20 - cash received	-	-	-	-	-	12,274	-	-	12,274
2 nd qtr. - cash (\$1.00/sh.)	-	144,000	-	144	143,856	-	-	-	144,000
3 rd qtr. - cash (\$1.00/sh.)	-	10,000	-	10	9,990	-	-	-	10,000
3 rd qtr. - cash (\$0.75/sh.)	-	53,333	-	53	39,947	-	-	-	40,000
3 rd qtr. - cash (\$0.50/sh.)	-	20,000	-	20	9,980	-	-	-	10,000
3 rd qtr. - cash (\$0.25/sh.)	-	100,000	-	100	24,900	-	-	-	25,000
3 rd qtr. - cash (\$0.10/sh.)	-	627,000	-	627	62,073	(62,700)	-	-	-
3 rd qtr. - services (\$0.10/sh.)	-	473,000	-	473	48,827	-	-	-	47,300
4 th qtr. - cash (\$0.15/sh.)	-	396,888	-	397	59,103	-	-	-	59,500
4 th qtr. - services (\$0.15/sh.)	-	275,000	-	275	40,975	-	-	-	41,250
4 th qtr. - cash (\$0.19/sh.)	-	80,000	-	80	14,920	-	-	-	15,000
Net loss	-	-	-	-	-	-	-	(507,885)	(507,885)
BALANCE, 12/31/98	-	12,578,999	-	12,579	403,171	(62,700)	-	(530,666)	(715,610)
1 st qtr. - cash (\$0.22/sh.)	-	687,499	-	687	149,313	-	-	-	150,000
1 st qtr. - services (\$0.87/sh.)	-	493,780	-	484	429,070	-	-	-	429,564
2 nd qtr. - cash received	-	-	-	-	-	80,000	-	-	80,000
2 nd qtr. - cash (\$4.00/sh.)	1,150	-	1	-	4,599	-	-	-	4,600
2 nd qtr. - cash (\$0.13/sh.)	-	2,005,000	-	2,005	293,885	-	-	-	296,000
3 rd qtr. - cash (\$0.40/sh.)	-	437,500	-	438	174,562	-	-	-	175,000
3 rd qtr. - cash received	-	-	-	-	-	2,700	-	-	2,700
3 rd qtr. - services (\$1.00)	-	10,000	-	10	9,990	-	-	-	10,000
4 th qtr. - services (\$0.21)	-	210,000	-	210	43,540	-	-	-	43,750
Net loss	-	-	-	-	-	-	-	(1,873,834)	(1,873,834)
BALANCE, 12/31/99	1,150	18,422,758	1	18,423	1,570,240	-	-	(2,594,500)	(917,838)
1 st qtr. - cash (\$1.00/sh.)	-	386,000	-	386	385,614	-	-	-	386,000
1 st qtr. - cash (\$3.99/sh.)	-	76,000	-	75	73,988	-	-	-	74,063
1 st qtr. - services/deposits (\$2.02/sh.)	-	250,000	-	250	730,528	-	-	-	730,778
1 st qtr. - services (\$2.82/sh.)	-	50,000	-	50	145,050	-	-	-	146,000
2 nd qtr. - Conversion due to Tender Offer	(950)	543,875	(1)	544	878,208	-	-	-	878,751
2 nd qtr. - Issuance of Series B - cash	2,500	-	3	-	1,323,904	-	833,333	-	2,157,240
2 nd qtr. - cash (\$1.00/sh.)	-	120,000	-	120	119,880	-	-	-	120,000
2 nd qtr. - cash (\$3.99/sh.)	-	18,750	-	18	18,496	-	-	-	18,514
Series B preferred stock dividend	-	-	-	-	180,555	-	-	(180,555)	-
Net loss	-	-	-	-	-	-	-	(1,261,570)	(1,261,570)
BALANCE, 6/30/2000, Unaudited	2,700	17,566,384	3	17,868	5,227,363	-	833,333	(3,946,626)	2,131,940

The accompanying notes are an integral part of the financial statements

IPVoice.com, Inc.
(A Development Stage Enterprise)
Consolidated Statements of Cash Flows

	Six Months Ended June 30.		Period from February 19, 1997 (Inception) through June 30, 2000
	2000	1999	
	Unaudited	Unaudited	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (1,281,570)	\$ (801,189)	\$ (3,766,070)
Adjustments to reconcile net loss to net cash used by Operating activities:			
Stock issued for services/deposits - related party	730,778	429,564	862,392
Stock issued for services - other	146,000	-	595,250
Depreciation	47,702	4,860	88,230
Interest credited to certificate of deposit	(624)	-	(829)
Changes in operating assets and liabilities:			
(Increase) decrease in inventory	7,588	(15,791)	-
(Increase) decrease in accounts receivable	87,458	(4,370)	(20,642)
(Increase) decrease in prepaid expenses and deposits	(470,270)	-	(487,135)
Increase (decrease) in accounts payable - trade	(113,334)	(101,484)	213,190
Increase (decrease) in accounts payable - officers	53,087	(27,930)	70,490
Increase (decrease) in accounts payable - related party	8,351	(5,652)	49,247
Increase (decrease) in deferred revenue	(7,821)	-	-
Increase (decrease) in accrued payroll taxes	(1,005)	(35,730)	-
Increase (decrease) in accrued interest	(8,469)	11,547	4,221
Net cash used by operating activities	<u>(782,131)</u>	<u>(546,155)</u>	<u>(2,391,656)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of certificate of deposit	(25,000)	-	(50,000)
Purchase of property and equipment	(187,990)	(16,147)	(608,073)
Purchase of intangibles	(105,032)	-	(105,032)
Net cash used by investing activities	<u>(318,022)</u>	<u>(16,147)</u>	<u>(781,105)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from notes payable	-	1,145,400	1,145,400
Common stock issued for cash	598,577	448,000	1,524,803
Professional services in connection with Tender Offer	(80,699)	-	(80,699)
Preferred stock issued for cash, net of expenses	2,157,240	4,800	2,161,840
Repayment of shareholder advances	-	(24,750)	-
Proceeds from stock subscription receivable	-	60,000	74,974
Net cash provided by financing activities	<u>2,675,118</u>	<u>1,631,250</u>	<u>4,826,318</u>
Net increase (decrease) in cash and equivalent	1,574,965	1,068,948	1,673,557
CASH, beginning of period	98,592	908	-
CASH, end of period	<u>\$ 1,673,567</u>	<u>\$ 1,069,856</u>	<u>\$ 1,673,557</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Interest paid in cash	<u>\$ 37,619</u>	<u>\$ -</u>	<u>\$ 89,318</u>
Non-Cash Financing Activities:			
Conversion of debt to common stock due to Tender Offer	<u>\$ 759,450</u>	<u>\$ -</u>	<u>\$ 759,450</u>
Series B preferred stock dividend	<u>\$ (180,555)</u>	<u>\$ -</u>	<u>\$ (180,555)</u>
Stock subscription receivable	<u>\$ -</u>	<u>\$ (175,000)</u>	<u>\$ -</u>
Donated capital - related party	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,000</u>
Inventory transferred to property and equipment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,960</u>

The accompanying notes are an integral part of the financial statements

JPVoice.com, Inc.
(A Development Stage Enterprise)
Consolidated Balance Sheets

ASSETS	June 30, 2000 Unaudited	December 31, 1999
CURRENT ASSETS		
Cash	\$ 1,673,557	\$ 98,592
Certificates of deposit - restricted	50,829	25,205
Accounts receivable	20,642	108,100
Inventory	-	7,586
Prepaid expenses and deposits	487,135	16,865
Total current assets	<u>2,232,163</u>	<u>256,348</u>
FIXED ASSETS		
Computer equipment	515,082	368,618
Office equipment	50,454	19,019
Furniture & fixtures	40,537	29,445
Property & equipment, at cost	<u>606,073</u>	<u>416,083</u>
Less accumulated depreciation	<u>(88,230)</u>	<u>(40,528)</u>
Property & equipment, net	<u>517,843</u>	<u>375,555</u>
INTANGIBLE ASSETS	<u>105,032</u>	<u>-</u>
Total Assets	<u>\$ 2,855,038</u>	<u>\$ 633,903</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)		
CURRENT LIABILITIES		
Accounts Payable		
Trade	\$ 213,190	\$ 328,524
Officer	70,490	17,403
Related party	49,247	40,896
Accrued payroll taxes	-	1,005
Accrued interest - stockholders	4,221	12,680
Deferred revenue	-	7,821
Total current liabilities	<u>337,148</u>	<u>408,339</u>
LONG-TERM LIABILITIES		
Notes payable	<u>385,950</u>	<u>1,145,400</u>
Total long-term liabilities	<u>385,950</u>	<u>1,145,400</u>
Total liabilities	<u>723,098</u>	<u>1,551,739</u>
STOCKHOLDERS' EQUITY (DEFICIENCY)		
Senior convertible preferred stocks, \$.001 par value, authorized 10,000,000 shares		
Series A, 200 and 1,150 issued and outstanding shares at June 30, 2000 and December 31, 1999	3	1
Series B, 2,500 and 0 issued and outstanding shares at June 30, 2000 and December 31, 1999		
Common stock, \$.001 par value, authorized 50,000,000 outstanding, 17,866,384 and 18,422,758 issued and outstanding shares at June 30, 2000 and December 31, 1999	17,866	16,423
Beneficial conversion feature discount	833,333	-
Additional paid-in capital	5,227,363	1,570,240
Deficit accumulated in the development stage	<u>(3,946,625)</u>	<u>(2,504,500)</u>
Total stockholders' equity (deficiency)	<u>2,131,940</u>	<u>(917,836)</u>
Total Liabilities and Stockholders' Equity (Deficiency)	<u>\$ 2,855,038</u>	<u>\$ 633,903</u>

The accompanying notes are an integral part of the financial statements